

The Reciprocity Committee of the State Licensing Board for Residential and General Contractors met on November 1, 2007 at Holder Construction Company, 3333 Riverwood Parkway SE, Suite 400, in Atlanta, Georgia for the purposes of discussing business.

**Members Present:**

Tommy Holder, Committee Chairman  
David Cyr  
Allen Richardson  
Roger Huggins

**Others Present:**

Bettie Sleeth, Home Builders Association of Georgia  
Mark Woodall, Associated General Contractors  
Penny Round, Greater Atlanta Home Builders Association

Committee Chairman Tommy Holder established that a quorum was present and called the meeting to order at 9:07 a.m.

Chairman Holder distributed and reviewed the agenda.

Mark Woodall provided the Board an overview of the provisions under O.C.G.A. § 43-41-8 and explained the opportunities to obtain licensure without taking an exam. The first opportunity, license exemption by experience, has already passed, and the second option is reciprocity for local licenses.

Chairman Holder asked whether any current jurisdictions qualified for reciprocity.

Mark Woodall stated he did not think that any local jurisdictions were eligible and suggested that Kyle Floyd or the Board's legal counsel confirm. Mr. Woodall noted that the law requires that the test administered by the local jurisdiction be comparable to the state examination for licensure. He explained that most local programs use the ICC exam and when the Board established their test they included a business and law section which is not included in the ICC exam.

Mark Woodall continued that the final option for obtaining licensure without exam is reciprocity from state to state.

Mark Woodall noted that under O.C.G.A. § 43-41-8(3), the Board or its divisions are obligated to promulgate rules and regulations on reciprocity. He stated that reciprocity would include a formal arrangement between the regulatory bodies of each state.

Mark Woodall then identified that testing would be the first stumbling block for interstate reciprocity. He estimated that a significant percentage of Georgia's contractors will be licensed by experience exemption, without taking the exam. He assessed that it could be a deal breaker for reciprocity if other states only recognized Georgia contractors who had taken the Georgia exam.

Roger Huggins asked if there was any indication what other states were going to require for reciprocity.

Mark Woodall stated that the original Alabama license did not require an exam and in speaking with Alabama officials unofficially, they indicated they may not have a problem recognizing contractors who were licensed in Georgia by examination exemption.

Chairman Holder asked whether the committee wanted to look at a blanket agreement or look at neighboring states individually.

David Cyr suggested that the committee start by looking at two or three neighboring states.

Mark Woodall mentioned that the National Association of State Contractors Licensing Agencies (NASCLA) has been leading the movement to adopt one national competency exam for residential and general contractors. At this time, he continued, most states require a two part exam with a technical component and state specific component covering laws unique to their state. He suggested that it would be ideal for the technical section to be reciprocated.

Allen Richardson stated that our three different classifications of licensure, residential-basic; residential-light commercial; and general contractor, and their definitions, are probably unique to Georgia and questioned how the committee should address these categories within reciprocity.

Mark Woodall responded that licensed contractors in other jurisdictions would have to meet all of the Georgia requirements for the separate applications and all the licensing criteria under O.C.G.A. §§ 43-41-5(b) and 43-41-6.

Allen Richardson suggested that the Board use the current applications but include a check box to be selected for someone licensed in another state.

David Cyr agreed and suggested the Board send a letter detailing the Georgia requirements to neighboring states who have indicated a desire to reciprocate.

Roger Huggins suggested that the committee ask the Board to allow the committee, as a starting point, to start conversing with other states that use the same testing company.

Mark Woodall commented that PSI currently administers the Alabama and Tennessee tests and both states have indicated a desire to reciprocate.

Bettie Sleeth added that PSI also administers the North Carolina and South Carolina exams.

David Cyr asked if Florida was off the table completely for reciprocity.

Mark Woodall commented that the Board had previously discussed whether or not the Board should rush to do this before the effective date. Mr. Woodall feels that the Board may have more bargaining power now as contractors from neighboring states who are currently doing business will want to get in place before the July 1, 2008 deadline.

Chairman Holder asked if there were already any reciprocal agreements between neighboring states. Mark Woodall responded that there were a number of reciprocal arrangements between various states covering different licensed trades/contractors.

David Cyr felt that the committee should not open the floodgates and make it easy for out of state contractors to come into Georgia if the neighboring states do not make it easy for Georgia contractors in their state and suggested that reciprocity may be a moot point.

Bettie Sleeth indicated that most builders on the borders have already obtained licensure in the states requiring licensure. She commented that there will be those who would appreciate the opportunity to get a license without having to take a test but did not know the percentage.

Chairman Holder commented that perhaps the simple answer is that the Board defer consideration of reciprocity at this time, until the other more pressing board obligations under the law have been met.

David Cyr asked the committee how reciprocity would benefit them.

Chairman Holder indicated that when his company does business in another state they take the test or hire someone from the state who knows the law. He concluded that he would not benefit from reciprocity.

Roger Huggins commented that prior to adoption of our new law, he visited several Georgia border jurisdictions. Based on his experience, he noted that the first concern was that these contractors were grandfathered and the second concern was to find a way to address the concerns raised by contractors who come into Georgia, and work towards leveling the playing field. He concluded that down the road, reciprocity may be a good thing, but with everything that is going on he believed that the Board could table their decision.

Chairman Holder agreed and stated that the committee was charged with looking at reciprocity and in a benefit analysis could not determine any benefit in having a reciprocity agreement at this time. He concluded that five years from now the Board could review it again.

Bettie Sleeth commented that the committee may not want to table it for such a long period.

David Cyr asked if there were any political concerns from border legislators.

Mark Woodall indicated that they may encounter some resistance from legislators and suggested that their concerns would be based on a timing standpoint and that they might feel it does not benefit them in five years.

Roger Huggins suggested that one benefit would be speeding up the process to gain licensure in another state. He also commented that the Board needed more time to learn, and get set up. He suggested two years following the July 1, 2008 implementation date.

Mark Woodall reiterated that from a timing standpoint it is a little bit difficult, because other states are interested in reciprocity now as many of their people are doing business here currently.

David Cyr commented that the only Georgians that reciprocity would help are people (like himself) who have never built in another state and would get a free pass in another state. He believes that it could put others at a disadvantage and did not know that giving a free pass to people who have not been proactive is something the Board should be trying to accomplish.

Mark Woodall indicated that the law was drafted on an idea that it would be beneficial to have reciprocal agreements with neighboring states and wanted to make it easier for contractors.

Chairman Holder suggested that part of the committees' recommendation include that the committee believes there might be a benefit in the future, but right now they are not prepared to offer reciprocity before the law's effective date. He further stated that it does not do anyone any harm or good by rushing to get this done by July of 2008.

Roger Huggins agreed and mentioned that the Board still has a ton of examination exemption applications to go through.

Mark Woodall pointed out that the Board probably does have an obligation under the law prior to the effective date to say something with regard to a regulation on reciprocity.

Roger Huggins made a motion that the committee recommend the Board defer reciprocity for at least one year following the July 1, 2008 licensing start date and that a letter be written to neighboring states who have requested reciprocity to notify them of the Board's decision. Allen Richardson seconded, and the committee passed the motion unanimously.

Chairman Holder notified the committee that he would not be in attendance at the upcoming Board meeting and asked that Mr. Richardson or Mr. Cyr report to the Board that the committee recommended deferral and felt there was no clear advantage or disadvantage for reciprocity at this time.

With no further business to be discussed, Chairman Holder adjourned the meeting.